

CHELAN COUNTY, WASHINGTON  
January 1, 1995 Through December 31, 1995

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Schedule Of Findings

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1. Chelan County Should Comply With The Growth Management Act And Spend Tax Revenue Appropriately

Chelan County is spending real estate excise tax revenue generated from the sale of real property without proper legal authority. This tax revenue is restricted to capital projects included in the capital facilities element of the comprehensive plan under the Growth Management Act. Under this Act, Chelan County was required to adopt this comprehensive plan on or before July 1, 1994. Because the county has not complied with the Act and adopted a comprehensive plan, we question \$835,000 spent by Chelan County during July 1, 1994, through December 31, 1995. The county continues to spend this money in 1996 as well.

RCW 36.70A.040(3)(d) states in part:

If the county has a population of fifty thousand or more the county shall adopt a comprehensive plan on or before July 1, 1994.

RCW 82.46.010(2) states in part:

After April 30, 1992, revenues generated from the tax imposed under this subsection in counties over five thousand population . . . that are required to plan under RCW 36.70A.040 (Growth Management Act) shall be used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and relocation assistance.

We recommend that Chelan County complete a comprehensive plan with a capital facilities plan element as required by the Growth Management Act. We also recommend that Chelan County return all moneys spent inappropriately to the real estate excise tax fund.

2. The County Should Improve Internal Controls Over Compensatory Time

During our review of the county's payroll system, we noted internal control weaknesses over compensatory (comp) time.

The county does not have uniform procedures regarding comp time. Comp time is not monitored, approved, or adequately documented. For example, employees who were exempt from earning comp time, per the county's policy, accumulated large comp time balances. As a result, comp time balances may not be accurate or complete.

The lack of internal controls over comp time increases the risk that the county will incur unsupported and/or unauthorized expenditures.

We recommend the county improve internal controls over compensatory time by implementing uniform procedures.